

## **LEGISLATION PROPOSED/PASSED – 2006 47<sup>th</sup> Legislature – Second Regular Session**

Directors and staff of Arizona State Library, Archives and Public Records worked closely with Legislators and Legislative staff on the following bills and attended hearings when called upon to provide testimony or supplied other information specifically requested.

### **HB2020 – Governmental Agency; Records Disposal**

#### Sponsors

Representatives: Chuck Gray; Russell K. Pearce

#### Overview

Government agencies must erase, shred, or otherwise make unreadable any personal- or entity-identifying information contained in agency records (hard copy or electronic) being disposed of or discarded.

#### Background

Identity theft, a class 4 felony, is defined as knowingly taking, purchasing, manufacturing, recording, possessing or using another real or fictitious person or entity's identifying information, without consent, for any unlawful purpose or to cause loss, regardless of whether economic loss results (A.R.S. § 13-2008). According to the Federal Trade Commission (FTC), the Phoenix and Mesa metropolitan area had the highest per capita rates of identity theft in 2004. The FTC also reports that there were 19,109 fraud and identity theft complaints from Arizona consumers in 2005.

#### Provisions

- A. A governmental agency shall not discard or dispose of a record containing personal identifying information or entity identifying information unless the governmental agency does at least one of the following:
  - 1. Shreds the record before discarding or disposing of the record.
  - 2. Erases the personal identifying information or entity identifying information contained in the record before discarding or disposing of the record.
  - 3. Modifies the record to make the personal identifying information or entity identifying information unreadable before discarding or disposing of the record.

4. Takes actions that the governmental agency reasonably believes will ensure that no unauthorized person will have access to the personal identifying information or entity identifying information contained in the record for the period between the record's discard or disposal and the record's destruction.
- B. It is an affirmative defense to the wrongful discard or disposal of a record that contains personal identifying information or entity identifying information if the governmental agency shows that it used due diligence to properly discard or dispose of the record.

### Arizona State Library, Archives and Public Records Involvement with HB2020

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

### Outcome of Legislation

HB2020 was referred to the House Committee on Government Reform and Government Finance Accountability on January 30, 2006, but the bill was never heard in Committee.

## **HB2024 – Anti-identification Theft Assessment**

### Sponsor

Representative: Bob Robson

### Overview

Governmental agencies are required to establish procedures to ensure that entity and personal identifying information is secure and inaccessible to unauthorized persons.

### Background

Taking the identity of another person is a Class 4 felony. It is also a federal crime to knowingly use another person's identification to commit fraud. The Identity Theft and Assumption Act of 1998, requires a centralized service for complaints and consumer education in the Federal Trade Commission (FTC). The act contains penalties of up to 15 years in prison and a maximum fine of \$250,000.

The Government Information Technology Agency currently has an IT Security direction with the policy being that the State of Arizona must securely and economically protect its business functions, including public access to appropriate information and resources, while maintaining compliance with the legal requirements established by existing Federal and State statutes pertaining to confidentiality, privacy, accessibility, availability,

and integrity.

According to the National Conference of State Legislatures, at least 45 states have laws addressing identity theft. Additionally, between January and December 2004, Consumer Sentinel, the complaint database developed and maintained by the FTC, received over 635,000 consumer fraud and identity theft complaints. Consumers reported losses from fraud of more than \$547 million.

### Provisions

- Requires government agencies to establish procedures to ensure that entity and personal identifying information collected or obtained by the governmental agency is secure and inaccessible to unauthorized persons.
- Stipulates that no provisions within the article on anti-identification procedures shall affect any provisions of Title 39 Public Records, Printing and Notices.
- Defines entity identifying information, personal identifying information and governmental agency.

### Arizona State Library, Archives and Public Records Involvement with HB2024

The Records Management Division is responsible for establishing standards, procedures and techniques for effective management of the public records of Arizona state and local government.

### Outcome of Legislation

HB2024 was signed by the Governor on April 17, 2006; Laws 2006, Chapter 117.

## **HB2371 – Arizona Centennial; Funds; Appropriation**

### Sponsors

Representatives: Stephen Tully, Phil Lopes, Gary L. Pierce, Pete Rios, James P. Weiers

Senators: Linda Aguirre, Timothy S. Bee, Ken Bennett, Richard Miranda, Harry Mitchell

### Co-Sponsors

Representatives: Bill Konopnicki, Linda Lopez, Bob Robson, Jay Tibshraeny

### Overview

The Historical Advisory Commission replaces the Director of Arizona State Library, Archives and Public Records as the authorized recipient and distributor of appropriations for the state's centennial celebration. Appropriates \$5 million from the

state General Fund to the Arizona Historical Advisory Commission in FY 2006-2007 for a statewide plan for activities and projects relating to Arizona's centennial celebration and requires a \$5 million match before the appropriation can be spent. Further, members of the commission that are not employed by the state are eligible for expense reimbursement (currently, only state employees are eligible for reimbursement).

### Background

The Arizona Historical Advisory Commission (AHAC) advises and recommends measures to the Legislature and state agencies relating to the interpretation, research, writing and teaching of this state's history, heritage and historic preservation. AHAC membership, appointed by the Director of the Arizona State Library, Archives and Public Records (ASLAPR), consists of experts in the field of historic preservation in the disciplines of history, arts and culture, architecture and archaeology, professional librarians and archivists or persons otherwise associated with the interpretation, research, writing, preservation or teaching of this state's heritage, including the Indian nation's history and heritage and the Director of the Historical Society, the Director of the State Museum, the Director of the State Parks Board and the State Historic Preservation Officer.

Arizona will celebrate its 100th anniversary of statehood in 2012. In 2005, the Legislature required AHAC to develop and coordinate a statewide plan regarding the state's centennial (Laws 2005, Chapter 1).

The legislation appropriates \$5 million from the state General Fund to AHAC in FY 2006-2007 for centennial planning. There may be an additional fiscal impact regarding the reimbursement of expenses for AHAC members who are not state employees.

### Provisions

1. Appropriates \$5 million from the state General Fund to AHAC in FY 2006-2007 for statewide planning, activities and projects relating to the Arizona centennial celebration.
2. Requires a \$5 million match collected from gifts, grant and donations to be deposited in an Arizona centennial account before the appropriation can be spent. Requires the State Treasurer to invest and divest these monies and credit the account with monies earned from investment.
3. Authorizes the matching monies to be spent as they are collected but requires an accounting by AHAC to determine qualification for the match.
4. Specifies that gifts, grants and donations to, from or between units of local government, Indian tribes, universities and the federal government that are made after the effective date of the legislation and that are approved by AHAC for centennial projects qualify as matching monies.
5. Grants AHAC the authority to spend and grant appropriated monies and matching monies in the Arizona centennial account for centennial planning.

6. Entitles AHAC members who are not state employees to reimbursement of expenses.
7. Allows AHAC to accept and spend grants, gifts, contributions and devises to contract for administrative and clerical staff, professional and administrative experts and other staff necessary for centennial planning.
8. Allows AHAC, rather than ASLAPR, to accept and spend appropriations, grants, gifts, contributions and devises to assist in carrying out centennial planning.
9. Exempts the appropriation from lapsing.
10. Becomes effective on the general effective date.

### Arizona State Library, Archives and Public Records Involvement with HB2371

In 1976, The Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records (Library and Archives) whose Director appoints the members of the Commission.

### Outcome of Legislation

On June 1, 2006, a STRIKE ALL AMENDMENT changed the topic of HB2371 to "health and welfare; budget reconciliation." Centennial funding was then incorporated into HB2870 state government; budget reconciliation.

## **HB2381 – Development Fee; Capital Improvements Plan**

### Sponsors

Representative: Jonathan Paton  
Senator: Timothy S. Bee

### Overview

Development fees charged by local governments may be imposed for "necessary public services" only and may not include airplanes, art or cultural facilities. The fees shall be adopted as part of a capital improvements plan for the specific service area that has been approved by the governing board. The municipality must give land owners a minimum of 120 days notice of intent to assess development fees or amend a capital improvement plan, and a development fee is effective no sooner than 30 days after adoption by the governing board. Fees collected that are used for improvements outside the service area that is subject to the fees shall be returned to the payer with interest. A developer may offset development fees through dedication of real property and/or improvements that conform to the public service for which the fees were assessed. If the value of dedicated property exceeds the development fee, the municipality shall reimburse the developer from fees collected from other developers whose property receives beneficial use of the dedicated property. A developer may accrue credits for up to 10 years. Municipalities may not impose a different percentage

sales tax on construction contracting businesses unless (beginning after July 1, 2006) the extra amount collected is used exclusively for new public infrastructure facilitating new development.

### Background

Statute allows municipalities to assess development fees to offset costs associated with providing necessary public services to a development (A.R.S. § 9-463.05). Development fees must result in a beneficial use to the development, and the amount assessed must bear a reasonable relationship to the burden imposed on the municipality to provide the public services. Municipalities must currently give at least 60 days advance notice of intent to assess a new or increased development fee, release to the public a written report including all documentation that supports the assessment and hold a public hearing at least 14 days prior to the scheduled date of adoption of the development fee. A development fee becomes effective 90 days after it is formally adopted.

Currently, municipalities must provide a credit toward a development fee for the required dedication of public sites and improvements provided by the developer. For example, if the developer pays to widen a city street, the municipality credits the developer for that infrastructure when charging a development fee for streets. H.B. 2381 requires municipalities to reimburse a developer from other development fees if the credit for property or improvements toward one development fee exceeds the total of all development fees owed. The reimbursement must come from development fees that are collected from other developments receiving the beneficial use of the property or improvement. The reimbursement credits are valid for ten years from the date that the development fee is first collected. These changes require municipalities to take into account how a new development built within ten years of the original development benefits from the real property or improvement provided by the original developer, and to reimburse the original developer for that amount. The reimbursement may be provided up to the amount of the development fees paid by the original developer, or up to the actual cost of the property or infrastructure, whichever is less.

According to the League of Arizona Cities and Towns, there is a negative fiscal impact to municipalities associated with the requirements of this legislation. However, there is no anticipated fiscal impact to the state General Fund associated with this legislation.

### Provisions

- **Reimbursement for Real Property or Improvements**

1. Requires municipalities to reimburse a developer from other development fees if the developer's credit for property or improvements toward one development fee exceeds the total of all development fees owed.

2. Requires the reimbursement to come from development fees for the public service that are collected from other developments receiving the specific beneficial use of the property or improvement.
3. Prohibits the credit from exceeding the lesser of the actual cost of the real property or improvement, or the amount of development fees actually collected from other developers, as determined by the municipality.
4. Allows credits to be provided for in a development agreement between a municipality and a community facilities district, a landowner or any other person having an interest in real property.
5. Makes credits valid for ten years from the date that the development fee is first collected from the development that provided the real property or improvement.
6. Applies reimbursement requirements to credits received beginning August 1, 2006.

- **Construction Transaction Privilege Taxes**

7. Prohibits, beginning July 1, 2006, municipalities from charging a higher percentage in the imposition or collection of TPT against construction contracting industry businesses than the TPT for the majority of other business classifications.
8. Allows municipalities to impose or collect a higher TPT for construction contracting industry businesses beginning July 1, 2006, if the proceeds of any higher TPT are used exclusively by the municipality to offset costs of public services for new development, which reduces the amount of development fees charged to new development for that necessary public service.
9. Allows municipalities to use construction TPT proceeds for interest charges and other finance costs of bonds issued to pay the cost of:
  - a) providing public services to new development.
  - b) constructing controlled access highways that are part of the regional transportation plan.
10. Allows municipalities to impose or collect construction TPT at the rate of not more than one percent for regional transportation plan purposes.
11. Prohibits municipalities from using construction TPT proceeds for financing costs to construct or provide light rail systems or other fixed guideway transit systems, or parts or equipment for those systems.
12. Gives municipalities that adopted a higher construction TPT before January 1, 2006, until December 31, 2007, to comply with the construction TPT requirements of this legislation, and prohibits those municipalities from increasing the rate of construction TPT until compliance.
13. Defines "construction contracting industry businesses" as an owner-builder who sells or contracts to sell improved real property consisting of custom, model or inventory homes, regardless of the stage of completion of such homes, or improved residential or commercial lots without a structure.

- **Use of Development Fees**

14. Prohibits development fees from being used for airplanes, arts, cultural facilities or any part or equipment related to those facilities, and provides that this prohibition does not apply to municipal ordinances requiring fees for art installation as a condition of development.
15. Requires monies received from development fees to be returned to the payers with any earned interest, if the public service is not provided.

- **Determination of the Amount of a Development Fee**

16. Requires the amount of a development fee to be based on: land uses approved by zoning, the municipality's adopted general plan or other adopted land use plan; the estimated cost of providing the necessary public service to existing development and to new development; and the estimated times at which the cost will be incurred.
17. Requires the determination of a development fee amount to include any contribution received from the federal or state government or any political subdivision of the federal or state government, and any proceeds of construction TPT used to offset the costs of public services.
18. Prohibits development fees from including any portion of the cost of the public services that is attributable to existing development, and requires municipalities to fund that portion of the cost.

- **Capital Improvements Plan and Development Fees**

19. Requires public services for which a development fee is assessed to be addressed in the municipality's capital improvements plan (CIP), and requires the CIP to be formally adopted by the municipal governing body before the initial assessment of the development fee.
20. Specifies information about each public service that must be included in the CIP.

- **Notice and Hearing for CIP Amendments**

21. Requires municipalities to give at least 60 days advance notice of intention to adopt or amend a CIP. The notice may be given in conjunction with the municipality's schedule to adopt an annual budget.
22. Requires municipalities to make public a written report including all documentation that supports the proposed CIP or amendment to the CIP.
23. Requires municipalities to hold a public hearing any time after the expiration of the 60-day notice and at least 30 days before the scheduled date of adoption. The public hearing may be held in conjunction with the public hearing for the municipality's annual estimate of expenditures.
24. Applies the notice and hearing requirements for the CIP only to development fees adopted after August 1, 2006.
25. Allows municipalities to amend the CIP without notice or a public hearing to:
  - a) include real property or public infrastructure in conjunction with the approval of zoning changes, if it requires, as a condition of the zoning



change, new development to provide property or infrastructure that is not part of the CIP.

- b) adjust the estimated cost of providing property or infrastructure or adjust the estimated time at which the cost will be incurred.
- c) include real property or public infrastructure for water systems and resources, sewage and solid waste facilities, drainage and flood control, streets and traffic control systems, public safety and fire protection facilities, areas for pedestrian and bicycle use, and all parts and equipment for these public services.

- **Development Fee Adoption or Amendment**

- 26. Requires municipalities to give at least 60 days advance notice of intention to adopt or amend a development fee.
- 27. Requires municipalities to make public a written report including all documentation that supports the proposed development fee.
- 28. Requires the documentation report to:
  - a) establish services areas and identify levels of service.
  - b) identify the estimated costs of providing each public service and the estimated date the costs will be incurred.
  - c) identify the portion of the cost of public services that is attributable to existing development and identify the anticipated means for the municipality to fund that portion of the cost.
  - d) identify the estimated contribution made by the property owner, the government and any proceeds of construction TPT used to offset costs of public services.
- 29. Makes development fees effective 30 days, instead of 90 days, after the formal adoption by the governing body of the municipality.

- **Adjustments to Development Fees Based on an Index**

- 30. Allows municipalities to adjust any development fee addressed in the CIP without further amendment to the CIP, if the adjustment is based on a recognized index applicable to the cost of the public service that is the subject of the development fee.
- 31. Requires municipalities to give at least 60 days advance notice of intention to adjust a development fee, to make public a written report including documentation that supports the adjustment and to hold a public hearing on the adjustment at least 14 days before the scheduled date of adoption.
- 32. Makes adjustments to development fees effective 30 days after the formal adoption by the governing body of the municipality.
- 33. Allows municipalities to adjust development fees adopted prior to August 1, 2006, based on an index, without further amendment to the CIP, unless the development fee complied with the development fee adoption and public documentation requirements of this legislation.

- **Miscellaneous**

34. Gives municipalities two years from the date a development fee is paid to notify the payer of any discrepancy in the assessment and collection of the development fee, and prohibits any action to collect any additional amount if notice is not provided.
35. Defines "public service" as public infrastructure that provides a service that is within the scope of services a municipality is authorized to provide, including: water systems for domestic, industrial, irrigation or fire protection purposes; water resources; sanitary sewage systems; solid waste facilities; drainage and flood control systems; streets and roadways; bridges and parking facilities; areas for pedestrian, bicycle or other nonmotor vehicle use; libraries; parks, recreational facilities and open space areas; landscaping; public buildings; public safety and fire protection facilities; lighting systems; equipment repair facilities; and traffic control systems and devices. Public service also includes all necessary or desirable accessories including equipment, vehicles, furnishings and other property for the public infrastructure, and the acquisition of interests in real property for the public infrastructure.
36. Defines "capital improvements plan," "development," "level of service," "public infrastructure" and "service area."
37. Makes technical and conforming changes.
38. Becomes effective on the general effective date, with construction TPT provisions retroactive to July 1, 2006. All other provisions are retroactive to August 1, 2006.

Arizona State Library, Archives and Public Records Involvement with HB2381

According to Section I 5 of HB2381 (House Engrossed Version):

5. *"Public service" means public infrastructure that provides a service that is within the scope of services a municipality is authorized to provide under this title, including water systems for domestic, industrial, irrigation or fire protection purposes, water resources, sanitary sewage systems, solid waste facilities, drainage and flood control systems, streets, roadways, bridges and parking facilities, areas for pedestrian, bicycle or other non motor vehicle use, **libraries**....*

Outcome of Legislation

HB2381 was vetoed by the Governor May 15, 2006.

## **HB2508 – Mines and Mineral Resources Department**

### Sponsors

Representatives: Russell L. Jones, Amanda Aguirre, Ray Barnes, Cheryl Chase, Ann Kirkpatrick, John B. Nelson, Tom O'Halleran

### Co-Sponsors

Representatives: Jennifer J. Burns, John McComish  
Senators: Marsha Arzberger, Robert Cannell, Jake Flake, Karen Johnson

### Overview

The statutory life of the Department of Mines and Mineral Resources is extended until July 1, 2016. Further, there are various changes in statutes authorizing the establishment and specifying the duties of the Dept of Mines and Mineral Resources, including a stipulation that an action against the department must be brought against the state and not against the department, the board, or any employee individually. There is specific authorization for the department to operate the Mining and Mineral Museum.

### Background

The Arizona Department of Mines and Mineral Resources (DMMR) was established in 1939 as an executive agency independent of the Legislature. The objective of the DMMR is to assist in the exploration, development and exploitation of the State's mineral resources. The DMMR maintains archival information on mining claims and mineral resources and operates the mineral museum. The DMMR is statutorily required to maintain: 1) an information bank and library of mineral and mining information including books, periodicals, films, videotapes and individual mine files; 2) underground mine map repository files, mining districts data and an archive of mine data; 3) a mineral museum as the state depository for collecting, cataloging and displaying mineral specimens of various ores, gemstones, lapidary material and other valuable mineral specimens.

A sunset review of the DMMR was conducted by the Senate NRRA and House NRA Committee of Reference in September 2005. The Committee of Reference recommended the DMMR be continued for ten years and that continuation legislation address the issues raised during the Committee of Reference discussions.

### Provisions

- Continues the DMMR for ten years until January 1, 2016 and provides a retroactive effective date of July 1, 2006.

- Specifies that the DMMR must provide technical information to all persons interested in developing the mineral resources of the state.
- Provides individual immunity for the DMMR, the board of governors, board members, director, officers, employees and volunteers.
- Modifies the duties of the DMMR to be consistent with its objectives and requires the DMMR to advocate for development and production of minerals and mineral products.
- Allows the director to employ a curator for the Mining and Mineral Museum.
- Eliminates the requirement for the DMMR to oppose congressional acts favoring imports of foreign minerals.
- Requires the museum to preserve and protect archival material from damage and destruction.
- Modifies the powers and duties of the Board of Governors and allows the Board to:
  - Authorize payment for utility service and maintenance of the museum, office and storage space.
  - Accept restricted or unrestricted monies from state or local governments to fulfill its duties.
  - Enter into intergovernmental agreements with other nations, federal governmental agencies, other state mining agencies, Arizona agencies and any public or private organization.
  - Enter into contracts with public and private organizations to provide or receive services.
- Allows the director to do the following:
  - Receive reimbursement for expenses pursuant to current law.
  - Establish and collect fees for services and to receive monies from grants, contracts, contributions, gratuities or reimbursements to be deposited in the Mines and Mineral Resources Fund.
  - Enter into contracts.
  - Employ a permanent and voluntary staff and reimburse volunteers.
  - Acquire services and expertise of state universities.
  - Establish advisory committees and appoint members.
- Consolidates language pertaining to the Mines and Mineral Resources Fund and retains the provisions which state that the monies are continuously appropriated to the DMMR.
- Increases the cap on the printing revolving account in the Mines and Mineral Resources Fund from \$10,000 to \$20,000. Excess monies will revert to the general fund.
- Allows the director to maintain trade secret information relating to the mineral industry as confidential and not available to the public.
- Defines the term trade secret.

#### Arizona State Library, Archives and Public Records Involvement with HB2508

This bill is of interest from a records and cultural institution standpoint. The bill appears to delete then authorize a museum and deletes a library but specifies a “repository”:

DELETES: 3. *Maintain: (a) An information bank and library of mineral and mining information, including books, periodicals, films, videotapes and individual mine files. (b) Underground mine map repository files, mining district data and an archive of mine data....*

ADDS: 5. *Maintain a repository of mineral and mining information, including databases, books, periodicals, individual mine files, mine map repository files, mining district data and an archive of mine data. All databases and other archival materials shall be maintained in a secure and retrievable format and location prescribed by the director to protect and preserve information from damage or destruction.*

### Outcome of Legislation

HB2508 was signed by the Governor on April 24, 2006; Laws 2006, Chapter 193.

### **HB2689 – Reservation Telecommunications Legislative Study Committee**

#### Sponsors

Representatives: Ann Kirkpatrick, Amanda Aguirre, Ted Downing, Lucy Mason, Ben R. Miranda, Gary L. Pierce, Kyrsten Sinema  
Senators: Linda Aguirre, Bill Brotherton, Albert Hale

#### Co-Sponsors

Representative: Manuel V. "Manny" Alvarez, David T. Bradley, Jack A. Brown, Meg Burton Cahill, Olivia Cajero Bedford, Steve Gallardo, Martha Garcia, Russell L. Jones, Bill Konopnicki, Phil Lopes, Linda Lopez, David M. Lujan, Debbie McCune Davis, Tom Prezelski, Pete Rios, Albert Tom

Senators: Marsha Arzberger, Jake Flake, Jorge Luis Garcia, Karen Johnson, Harry Mitchell, Victor Soltero

#### Overview

A six-member Reservation Telecommunications Legislative Study Committee is established to identify methods to track tribal contributions to the state transaction privilege tax, an appropriate distribution formula that is modeled after the current city and state shared revenue formulas, an appropriate transaction privilege tax distribution process for tribal governments and recommend tribal telecommunications legislation that incorporates the state transaction privilege tax. The committee must present a report of their findings on or before June 30, 2007 to the Speaker of the House, President of the Senate, Secretary of State and the director of the Arizona State Library, Archives and Public Records.

## Background

Arizona's transaction privilege (sales) tax is imposed on the privilege of transacting business in this state. A rate of 5.6% applies to most taxable activities, including retail, prime contracting, restaurant and bars, utilities and communications. In addition to the state rate, counties and cities also impose their own transaction privilege taxes. Depending on the city and county where a taxable activity takes place, the total transaction privilege tax rate ranges from 7.6% to 10.7%.

The transaction privilege revenues are divided into two parts, the distribution base and non-shared. The distribution base portion is divided among municipalities (25%), counties (40.51%) and the state general fund (34.49%). The non-shared portion is deposited directly to the state general fund.

According to the Arizona Commission on Indian Affairs (ACIA), 11 tribes levy some form of a sales tax. The tax rates charged by the 11 tribes vary from 1%-7.1%.

The Arizona Indian Town Hall is an annual event hosted by ACIA to discuss issues affecting the Native American community among tribal, federal, state and private representatives.

## Provisions

- Establishes a legislative study committee to examine reservation telecommunications.
- Requires the committee to study tribal contributions to the state transaction privilege tax and to recommend a distribution formula and process for tribal governments that is modeled after the current city and state shared revenue formulas.
- Specifies committee membership to include three Representatives appointed by the Speaker of the House of Representatives and three Senators appointed by the President of the Senate.
- Requires the committee to conduct its first meeting in conjunction with the 2006 Arizona Indian Town Hall, and permits up to four additional meetings.
- Requires a report and recommendations to be provided to the Legislature, the Secretary of State and the Arizona State Library, Archives and Public Records. The report is due no later than June 30, 2007.
- Provides a delayed repeal date of January 1, 2008.

## Arizona State Library, Archives and Public Records Involvement with HB2689

The staff of the Library Development Division work closely with librarians in remote areas of the state where telecommunications access is a key component of information services.

## Outcome of Legislation

HB2689 was signed by the Governor on May 19, 2006; Laws 2006, Chapter 289.

## **HB2865 – Capital Outlay; Fiscal Year 2006-2007**

### Sponsor

Representative: Gary L. Pierce

### Overview

\$9,095,700 in other funds (OF) and \$23,849,200 from the General Fund (GF) are appropriated for maintenance and repair of state buildings and \$258,558,000 OF and \$52,000,000 GF are appropriated for various major capital projects in FY 2006-07. In addition, there are appropriations for various other capital related projects.

### Background

All state archives are currently kept by the Arizona State Library Archives and Public Records Agency located at the State Capitol. In 2001, the Joint Committee on Capitol Review recommended 99,500 square feet of storage. A lease-purchase option for the building was approved in the 2001 budget for an annual cost of \$2,000,000 per year for ten years. The budget was repealed in 2002 and the funds that had been appropriated for the building were cancelled. Space on 19<sup>th</sup> Avenue, just south of Jefferson, has been set aside for the new archives building. In 2003, the State Library and Archives used \$12,000 in existing risk management funds to clear the site and to begin preparing it for construction. Laws 2004, chap. 194 (SB 1079) appropriated up to \$2,000,000 for fiscal year 2004-2005 for the design of and site preparation for a new state archives and history building. Laws 2005, Chapter 298 (HB2765) appropriated \$15,000,000 in both FY 2005-2006 and FY 2006-2007 from the state General Fund to Legislative Council for construction and related costs for the Polly Rosenbaum State Archives and History Building (Archives Building); however, this was \$8,000,000 less than the estimated cost of construction of the building.

### Provisions

- **State Archives and History Building**
  - Appropriates \$8,000,000 from the state general fund in FY 2007-08 to Legislative Council for the completion of the Polly Rosenbaum state archives and history building.
- **General Provisions**
  - Stipulates that the monies appropriated shall not be used for personal services or employee-related expenditures of state employees, excluding

services provided as part of the inmate construction program for correctional facilities.

- Specifies that, unless otherwise specified, the appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance.

#### Arizona State Library, Archives and Public Records Involvement with HB2865

The staff of the Arizona History and Archives Division will be responsible for the operation of the Polly Rosenbaum State Archives and History Building.

#### Outcome of Legislation

HB2865 was signed by the Governor on June 21, 2006; Laws 2006, Chapter 345.

### **HB2870 – State Government; Budget Reconciliation**

#### Sponsor

Representative: Gary L. Pierce

#### Overview

Makes statutory and session law changes relating to state government to implement the FY 2006-2007 budget including allowing the Arizona Historical Advisory Commission to accept and spend monies for planning of Arizona's centennial and authorizing the placement of a Bill of Rights monument in Wesley Bolin Plaza.

#### Background

The Arizona Historical Advisory Commission (AHAC) advises and recommends measures to the Legislature and state agencies relating to the interpretation, research, writing and teaching of this state's history, heritage and historic preservation. AHAC membership, appointed by the Director of the Arizona State Library, Archives and Public Records (ASLAPR), consists of experts in the field of historic preservation in the disciplines of history, arts and culture, architecture and archaeology, professional librarians and archivists or persons otherwise associated with the interpretation, research, writing, preservation or teaching of this state's heritage, including the Indian nation's history and heritage and the Director of the Historical Society, the Director of the State Museum, the Director of the State Parks Board and the State Historic Preservation Officer.

Arizona will celebrate its 100th anniversary of statehood in 2012. In 2005, the Legislature required AHAC to develop and coordinate a statewide plan regarding the



state's centennial (Laws 2005, Chapter 1).

### Provisions

#### **Legislative Council**

2. Requires a \$5 million match collected from gifts, grant and donations to be deposited in an Arizona centennial account before the appropriation can be spent. Requires the State Treasurer to invest and divest these monies and credit the account with monies earned from investment.
3. Authorizes the matching monies to be spent as they are collected but requires an accounting by Arizona Historical Advisory Commission (AHAC) to determine qualification for the match.
4. Specifies that gifts, grants and donations to, from or between units of local government, Indian tribes, universities and the federal government that are made after the effective date of the legislation and that are approved by AHAC for centennial projects qualify as matching monies.
5. Grants AHAC the authority to spend and grant appropriated monies and matching monies in the Arizona centennial account for centennial planning.
6. Allows AHAC to accept and spend grants, gifts, contributions and devises to contract for administrative and clerical staff, professional and administrative experts and other staff necessary for centennial planning.
7. Allows AHAC, rather than ASLAPR, to accept and spend appropriations, grants, gifts, contributions and devises to assist in carrying out centennial planning.
8. Exempts the appropriation from lapsing until June 30, 2013.

#### **Miscellaneous**

25. Authorizes the placement of a Bill of Rights monument in Wesley Bolin Plaza.

#### **Amendments Adopted by Committee**

- Removes the \$5 million appropriation from the state General fund to Legislative Council for centennial planning and the matching requirement.

#### **Amendments Adopted by Committee of the Whole**

- Authorizes a Bill of Rights monument to be placed in Wesley Bolin Plaza.

### Arizona State Library, Archives and Public Records Involvement with HB2870

In 1976, The Arizona Historical Advisory Commission (Commission) was established by A. R. S. § 41-1352 under Arizona State Library, Archives and Public Records whose Director appoints the members of the Commission. Also, the Commission is involved in making recommendations regarding the historical integrity of the monuments in Wesley Bolin Plaza.

### Outcome of Legislation

HB2870 was signed by the Governor on June 21, 2006; Laws 2006, Chapter 350.

### **SB1011 – Appropriation; Pearl Harbor Memorial**

#### Sponsor

Senator: Jim Waring

#### Overview

Appropriates \$69,000 from the State General Fund in FY 2006-07 to the Department of Veterans' Services for deposit in the Veterans' Donations Fund to be transferred and deposited in the National Pearl Harbor Memorial Fund.

#### Background

The National Pearl Harbor Memorial is located in Honolulu, Hawaii at the site of the Pearl Harbor attack of World War II. The appropriation detailed in this bill gives one dollar for each Arizona service man or woman who served during World War II. The appropriated funds are planned to be used to build a national memorial museum and visitor center at the National Pearl Harbor Memorial.

#### Provisions

- Appropriates \$69,000 to the Department of Veterans' Services from the GF to be deposited in the National Pearl Harbor Memorial Fund during the 2006-07 fiscal year.

#### Arizona State Library, Archives and Public Records Involvement with SB1011

The Capitol Museum, a Division of Arizona State Library, Archives and Public Records, has an interest in the USS Arizona Memorial site at Pearl Harbor since it has exhibits related to the USS Arizona and there is a USS Arizona memorial in Wesley Bolin Plaza.

### Outcome of Legislation

SB1011 was signed by the Governor on June 21, 2006; Laws 2006, Chapter 355.

## **SB1095 – Code Talkers Monument; Extension**

### Sponsors

Senator: Karen Johnson

Representative: Doug Quelland

### Overview

The deadline for completion of the Navajo code talkers monument is extended to December 31, 2008.

### Background

In 2003, the Legislature authorized the placement of a Navajo Code Talker Monument in the Wesley Bolin Plaza (Laws 2003, Chapter 26). The legislation required that the memorial be completed and dedicated by April 7, 2005. The Navajo Code Talkers have also been recognized nationally when the Code Talkers were honored for their contributions on September 17, 1992, at the Pentagon in Washington, D.C.

During World War II, American military forces had difficulty in the Pacific because the Japanese repeatedly broke secret military transmissions. In 1942, Philip Johnston, the son of a missionary to the Navajos, presented the idea of using the Navajo language for secure communication to high-ranking Marine officials. However, the idea was not entirely new as Native American languages had also been successfully used to encode messages in World War I.

Originally, twenty-nine Navajo recruits enlisted in the Marines and created the Navajo Code for over 450 military terms and phrases which did not exist in the Navajo language. The Code Talkers took part in every assault that the U.S. Marines conducted in the Pacific from 1942 to 1945, transmitting messages by telephone and radio in their native language, which the Japanese never broke.

### Provisions

- Extends the date of completion for the Navajo Code Talker Monument to December 31, 2008.
- Contains an Emergency Clause.

### Arizona State Library, Archives and Public Records Involvement with SB1095

According to Laws 2003, Chapter 26, the Arizona Historical Advisory Commission, whose members are appointed by the Director of Arizona State Library, Archives and Public Records, is to make recommendations regarding the historical integrity of the monument.

## Outcome of Legislation

SB1095 was signed by the Governor on March 31, 2006; Laws 2006, Chapter 39.

## **SB1112 – Battle of the Bulge Monument**

### Sponsors

Senators: Harry Mitchell, Linda Aguirre, Richard Miranda

### Co-Sponsors

Senators: Marsha Arzberger, Albert Hale, Victor Soltero

### Overview

The Arizona Department of Administration is authorized to provide for the placement in Wesley Bolin Plaza, without the expenditures of any public monies, a monument dedicated to the soldiers who fought and died during World War II at the Battle of the Bulge.

### Background

The Battle of the Bulge lasted 43 days from December 16, 1944 to January 28, 1945, in Ardennes, Belgium. The offensive was considered the last major German offensive on the western front during World War II. The “bulge” refers to the extension of the German lines, which formed a growing arc into allied controlled territory. Though this offensive was unsuccessful for Germany, it depleted an enormous amount of resources for both Allied and German forces. The Battle of the Bulge is considered the largest land battle the Army has fought in the history of the United States. Casualty estimates from the battle vary widely. The official US account lists 80,987 American casualties. British losses totaled 1,400. The German High Command's official figure for the campaign was 81,834 casualties.

### Provisions

- Allows the Arizona Department of Administration to provide placement for a monument dedicated to soldiers who fought in and died at the Battle of the Bulge in World War II in the Wesley Bolin Plaza.
- Requires Governmental Mall procedures to apply to the establishment of the monument.
- Stipulates that the proponents of the monument are solely responsible for fund-raising and contracts initiated to design and construct the monument and that no public monies are authorized for the development of the monument.
- Contains a Delayed Repeal Date from and after September 30, 2009.

## Arizona State Library, Archives and Public Records Involvement with SB1112

The Arizona Historical Advisory Commission, whose members are appointed by the Director of Arizona State Library, Archives and Public Records, is involved in making recommendations regarding the historical integrity of the monuments in Wesley Bolin Plaza.

### Outcome of Legislation

SB1112 was signed by the Governor on June 6, 2006; Laws 2006, Chapter 314.

## **SB1132 – Enduring Freedom Monument; Funding Extension**

### Sponsors

Senator: Robert Blendu

Representative: John B. Nelson

### Overview

Extends the deadline for the completion and dedication of the Enduring Freedom Memorial to August 25, 2007.

### Background

In 2004, the Legislature authorized the placement of an enduring freedom memorial in Wesley Bolin Plaza (Laws 2004, Chapter 206). The legislation required that the memorial be completed and dedicated to the state by August 22, 2006.

### Provisions

- Extends the deadline for the completion and dedication of the Enduring Freedom Memorial to August 25, 2007.
- Contains a Delayed Repeal date of from and after December 31, 2007.

## Arizona State Library, Archives and Public Records Involvement with SB1132

According to Laws 2004, Chapter 206, the Arizona Historical Advisory Commission, whose members are appointed by the Director of Arizona State Library, Archives and Public Records, is to make recommendations regarding the historical integrity of the monument.

### Outcome of Legislation

SB1132 was signed by the Governor on March 31, 2006; Laws 2006, Chapter 31.

## **SB1426 – Improper Influence; Contacting Employer; Prohibition**

### Sponsors

Senators: Dean Martin, Jack W. Harper

### Co-Sponsors

Senators: Carolyn S. Allen, Robert Blendu

### Overview

SB1426 would make it a felony to knowingly attempt to influence the vote of any member who is appointed to a state board, commission, council or advisory committee, elected official or legislator by threatening to take an adverse action against, withhold any benefit from or offering to confer any benefit to an employer, business partner or client of the member, elected official or legislator.

### Background

A.R.S. § 41-1233 prohibits a person from improperly seeking to influence the vote of any member of the Legislature through communication with the member's employer. A.R.S. § 41-1237 provides that a violation is a Class 1 misdemeanor punishable by up to six months in jail and a \$2500 fine. A.R.S. § 13-2602 states that a person commits bribery when the person offers, confers, or agrees to confer any benefit on a public official or party officer with the intent to influence official actions of a public official or party officer. It is also considered bribery when any public servant or party official solicits or accepts benefits for official actions. Bribery is a Class 4 felony with a presumptive term of incarceration of 2.5 years.

### Provisions

- Prohibits a person from knowingly influencing the vote of any member who is appointed to a state board, commission, council or advisory committee, an elected official of a political subdivision or a legislator by threatening to take an adverse action against or offering to confer any benefit to an employer, business partner or client of the public official.
- Prohibits a person from knowingly using an employment or client relationship to attempt to influence the vote of any member who is appointed to a state board, commission, council or advisory committee, an elected official of a political subdivision or a legislator through communication with the employer, business partner or client of the public official.
- Classifies knowingly attempting to influence the vote of a public official by threatening to take action or confer a benefit on the public official's employer, business partner or client as a class 5 felony.

- Classifies knowingly attempting to influence the vote of a public official through communication with the public official's employer, business partner or client as a class 6 felony.
- Makes a conforming change.

#### Arizona State Library, Archives and Public Records Involvement with SB1426

The Director of Arizona State Library, Archives and Public Records is a member of the Arizona State Board on Geographic and Historic Names. In 2003, the employer of a member of the Arizona State Board on Geographic and Historic Names was approached by a member of the Governor's staff in an effort to persuade the member to approve the change of the place name Squaw Peak to Piestewa Peak.

#### Outcome of Legislation

SB1426 passed the Senate 21-9 but was withdrawn from the House Judiciary Committee on March 29, 2006.

#### **SB1512 – E-Learning Digital Institute; Data Warehouse (WAS: E-Learning Centered School System)**

##### Sponsors

Senators: Ken Bennett, Timothy S. Bee, Albert Hale

Representatives: Steve Gallardo, Leah Landrum Taylor, John B. Nelson

##### Co-Sponsors

Senators: Linda Gray, Jack W. Harper, Dean Martin, Harry Mitchell, Thayer Verschoor

Representatives: Mark Anderson, Ray Barnes, Tom Boone, Jack A. Brown, Meg Burton Cahill, Russell L. Jones, Linda Lopez, David M. Lujan, Debbie McCune Davis, Russell K. Pearce, Tom Prezelski, Michele Reagan, Pete Rios, Kyrsten Sinema

##### Overview

An E-Learning Task Force (Task Force) is established under the Arizona Department of Education (ADE) which is charged with examining other e-learning programs, analyzing methods for implementation and developing e-learning solutions. Additionally, the three-year E-Learning Pilot Program is established, along with the E-Learning Fund, to help up to ten schools to achieve academic and motivational gains based on the state and national average. Finally, \$3,000,000 is appropriated in FY 2006-07 to the ADE for the Pilot Program.

## Background

Currently there are federal, state and local technology programs which are part of the curriculum in Arizona schools. These programs are funded through a variety of public funds and private donations. E-learning, learning through electronic technology, is rapidly expanding and thus changing how and where children learn. Many states are in the process of developing reliable delivery systems for e-learning.

## Provisions

- Establishes the 11-member Task Force under the ADE, specifies the term limits for the members and requires the Task Force to annually elect a chairman. The ADE must provide staff support.
- Requires the Task Force to examine e-learning programs from other states, analyze potential implementation methods, develop innovative e-learning solutions and annually report to the Legislature regarding e-learning programs and solutions.
- Exempts Task Force members from eligibility for compensation but they are eligible for expense reimbursement.
- Terminates the Task Force on July 1, 2016.
- Establishes the three-year E-Learning Pilot Program (Pilot Program) within the Arizona ADE to help up to ten schools to achieve academic and motivational gains based on the state and national average.
- Requires the Task Force, by December 15, 2006 and in cooperation with the ADE, to prepare an actionable request for proposals (RFP) to implement the Pilot Program. Additionally, the Task Force must submit the preliminary RFP to the Joint Legislative Budget Committee (JLBC) for review and comment. The RFP must require all responses to meet the Government Information Technology Agency standards, and must include specified criteria.
- Requires the Task Force to finalize the RFP based on the JLBC comments, and the ADE must issue the RFP within 30 days of the JLBC hearing. Within 180 days of issuance, the ADE must award the contract or contracts. At least 10 days prior to entering into the contract or contracts, the Superintendent of Public Instruction must submit the provisions for review to the JLBC in executive session.
- Requires the overall e-learning system to be implemented through a three-year Pilot Program that delivers specified criteria.
- Requires the ADE, in cooperation with the Task Force, to establish application procedures and additional selection criteria for schools to participate in the Pilot Program after the ADE has awarded a contract. Participating schools must provide instruction in any two grades from grades 6-9 in up to 10 schools total. Additionally, participating schools must be able to demonstrate that the teachers are committed to the Pilot Program. Teachers must complete the initial training and professional development component of the Pilot Program by the end of the 2007 fall semester.
- Requires the ADE, in cooperation with the Task Force, to submit a report by November 15, 2010 to the Governor and the Legislature that summarizes the results of the Pilot Program. Academic effectiveness of pupils must be measured according to existing assessment mechanisms in current statute.



- Prohibits schools and pupils that participate in the Technology Assisted Project-Based Instruction Program from participation in the Pilot Program.
- Establishes the Fund within the ADE, subject to direction of the Task Force and consisting of monies appropriated by the Legislature and monies received from any other public and private sources.
- Appropriates \$3,000,000 from the state General Fund to the ADE in FY 2006-07 for the Pilot Program. The ADE may distribute appropriated monies in FYs 2006-07 through 2009-2010. The appropriation is exempt from lapsing. Additionally, the ADE may retain up to 5% for administrative costs of the ADE in connection with the Pilot Program.
- Repeals the Pilot Program and Fund from and after August 31, 2011.

#### Arizona State Library, Archives and Public Records Involvement with SB1512

The agency is involved with digital resources in general and promotes libraries as a way to help bridge the digital divide.

#### Outcome of Legislation

SB1512 was signed by the Governor on June 21, 2006; Laws 2006, Chapter 375.

### **SCR1006 – family advocacy office STRIKER: CLASSROOM DOLLARS; MINIMUM EXPENDITURES**

#### Sponsor

Senator: Karen Johnson

#### Overview

The proposed strike-everything amendment to SCR 1006, pending voter approval, establishes the First Class Education for Arizona Act requiring school districts to spend at least 65% of their operational expenditures on classroom instructional expenditures. A school district that does not spend at least 65% of its operational expenditures on classroom instructional expenditures in FY 2006-07 must annually increase the total percentage of its operational expenditures on classroom instructional expenditures by at least 2% beginning in FY 2007-08 until the school district reaches the minimum 65% threshold. Additionally, school districts may petition the Superintendent of Public Instruction (Superintendent) for a one-year waiver from either of these requirements.

#### Background

In February 2005, the Office of the Auditor General Division of School Audits issued the fourth annual Arizona Public School Districts' Dollars Spent in the Classroom Fiscal Year 2004 report as required by A.R.S. Section 41-1279.03. To determine the

percentage of dollars in the classroom, the Office of the Auditor General used the United States Department of Education's National Center for Education Statistics (NCES) definition for instructional spending.

The amount a school district expends for classroom purposes is compared to the total amount a school district expends for its daily operations, or total current expenditures. A school district's total current expenditures includes both classroom and non-classroom expenses. Classroom expenditures includes classroom personnel, general instructional supplies, instructional aids, activities and tuition. Non-classroom expenditures includes administration, plant operation and maintenance, food service, transportation, instructional staff support services and student support services. Additionally, the calculation excludes monies spent for debt repayment, capital outlay, and programs outside the scope of K-12 education including adult education and community services.

The report conducted by the Office of the Auditor General concluded that in FY 2003-04, Arizona school districts spent an average of 58.6 cents of each dollar in the classroom, an amount unchanged from FY 2002-03. Additionally, the report concluded:

Arizona continues to fall below the most recent (FY 2002) national average of 61.5 percent and the average of 61.3 percent for the ten states comparable to Arizona in per-pupil spending.

Although the statewide average was determined to be 58.6%, the individual school district percentages varied significantly from as low as 35% to a high of 83%, excluding certain special-purpose school districts. Most school districts were found to be within five percentage points of the state average.

### Provisions

- Establishes the First Class Education for Arizona Act requiring school districts to spend at least 65% of their operational expenditures on classroom instructional expenditures. A school district that does not spend at least 65% of its operational expenditures on classroom instructional expenditures in FY 2006-07 must annually increase the total percentage of its operational expenditures on classroom instructional expenditures by at least 2% beginning in FY 2007-08 until the school district reaches the minimum 65% threshold.
- Requires school districts to submit proposed annual budgets to the Superintendent of Public Instruction who must verify that the school district's planned classroom instructional expenditures meet the requirements.
- Requires the school district annual report card to include the percentage of the total operational expenditures of the total classroom instructional expenditures for the prior year. If the school district's submitted budget indicates that the school district is unable to meet either the 65% threshold or the minimum 2% increase above the previous years' operational expenditures on classroom instructional expenditures,

the school district's annual report card must indicate that the school district did not comply with the requirements for that year.

- Allows school districts to annually petition the Superintendent for a one-year waiver from the 65% threshold or the minimum 2% increase above the previous years' operational expenditures on classroom instructional expenditures. The Superintendent must notify the school district within 30 days after the submission of the waiver petition whether to grant, deny or grant a partial waiver request. In determining the grant request, the Superintendent must consider all of the facts and circumstances including whether the costs of transportation services are demonstrably higher because of the geographic size of or the distribution of the pupils throughout the school district.
- Requires the Legislature to determine the circumstances and extent sanctions may be taken or applied against a school district that does not comply with these requirements.
- Requires the Superintendent to develop model plans to assist school districts to meet these requirements.
- States that the goal of the Superintendent and the State Board of Education in administering the First Class Education for Arizona Act is to provide school districts with the tools to meet the requirements of the Act.
- Defines the terms classroom instructional expenditures, instructional and operational expenditures.
- Requires the Secretary of State to submit this proposition to the voters at the next general election.
- Requires approval of the voters and proclamation of the Governor.

#### Arizona State Library, Archives and Public Records Involvement with SCR1006

Proposed striker added school libraries, librarians and books to acceptable instructional activities for classroom dollars:

2. *"Instructional" includes activities dealing directly with interaction between pupils and teachers or other classroom and instructional personnel, special education instruction, tutors, **books**, classroom computers, general instruction supplies, instructional aides, **libraries and librarians**, class activities, such as field trips, athletics, arts, music and multidisciplinary learning, and extra curricular activities, including drama, sports and band.*

#### Outcome of Legislation

SCR1006 had a second proposed striker on another topic on April 24, 2006.

### **SCR1034 – Public Schools Expenditures Accountability**

## Sponsors

Senators: Toni Hellon, Timothy S. Bee

## Co-Sponsor

Representative: Meg Burton Cahill

## Overview

The 2006 general election ballot is to carry the question of whether to amend A.R.S. Title 15 (education) to require each school district to spend at least 75% of its budget on "services that directly impact pupils" (defined). Effective for the 2007-08 school year.

## Background

In February 2005, the Office of the Auditor General Division of School Audits issued the fourth annual Arizona Public School Districts' Dollars Spent in the Classroom Fiscal Year 2004 report as required by A.R.S. Section 41-1279.03. To determine the percentage of dollars in the classroom, the Office of the Auditor General used the United States Department of Education's National Center for Education Statistics' (NCES) definition for instructional spending.

The amount a school district expends for classroom purposes is compared to the total amount a school district expends for its daily operations, or total current expenditures. A school district's total current expenditures includes both classroom and non-classroom expenses. Classroom expenditures includes classroom personnel, general instructional supplies, instructional aids, activities and tuition. Non-classroom expenditures includes administration, plant operation and maintenance, food service, transportation, instructional staff support services and student support services. Additionally, the calculation excludes monies spent for debt repayment, capital outlay, and programs outside the scope of K-12 education including adult education and community services.

The report conducted by the Office of the Auditor General concluded that in FY 2003-04, Arizona school districts spent an average of 58.6 cents of each dollar in the classroom, an amount unchanged from FY 2002-03. Additionally, the report concluded:

Arizona continues to fall below the most recent (FY 2002) national average of 61.5 percent and the average of 61.3 percent for the ten states comparable to Arizona in per-pupil spending.

Although the statewide average was determined to be 58.6%, the individual school district percentages varied significantly from as low as 35% to a high of 83%, excluding certain special-purpose school districts. Most school districts were found to be within five percentage points of the state average.

## Provisions

- A. Beginning in the 2007-2008 school year, A school district shall spend at least seventy-five per cent of its budget on services that directly impact pupils. For purposes of this subsection, "services that directly impact pupils" means all instructional spending, including the following:
  - a. Instructional salaries and benefits.
  - b. Supplies, materials and equipment.
  - c. Purchased instructional services from third parties.
  - d. The following Support services:
    - i. Instructional support such as training, professional development, pupil testing and technical support.
    - ii. Pupil support such as counselors, guidance, college placement, nurses, community service, attendance, tutoring, academic intervention and records.
    - iii. Pupil transportation.
    - iv. Food services.
  - e. Librarians.
- B. The following shall be excluded from the calculation prescribed in this section:
  - a. Local revenue received through school district budget override elections and school district bond elections.
  - b. State, federal and private grants received for a specific purpose.
  - c. Enterprise zone monies.
  - d. monies held in trust for a designated purpose.
  - e. Capital Monies.
  - f. Certificates of participation.
  - g. Bond redemption monies.
  - h. Per pupil revenue received for charter schools that are operated by the school district.
  - i. Central business office services such as expenditures for accounting, budgeting, payroll, receiving, purchasing, planning, recruiting, research and development and communications.
  - j. School administration services such as expenditures for principals, superintendents, legal services, AUDITING and school district governing boards.
  - k. Operations and maintenance services such as EXPENDITURES for buildings, grounds, heating and cooling systems, equipment repair, security and property insurance.
- C. A school district shall annually submit a form that provides a detailed summary of the school district's budget by October 15 to the department of education in a standardized format developed by the department of education.
- D. If a school district is unable to meet the requirement prescribed in subsection A, the school district may petition the state board of education for a one-year waiver from the requirements of subsection A. The state board of education shall notify the school district within thirty days after the submission of the waiver petition whether the state board of education will grant or deny the waiver request.

## Arizona State Library, Archives and Public Records Involvement with SCR1034

On Library Legislative Day, school librarians expressed concern that librarians and library services always be included in the "*services that directly impact pupils.*"

### Outcome of Legislation

SCR1034 was referred to the Senate Committee on K-12 on February 2, 2006.

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Directors and staff of Arizona State Library, Archives and Public Records also tracked the following bills because of their potential impact on Agency activities and responsibilities.

**HB2019 – Governmental agency; compromised information; disclosure**

**HB2063 – Eminent domain; open meetings**

**HB2088 – Taxation; confidentiality**

**HB2220 – Code enforcement office; I.D. information**

**HB2333 – Personal identifying information; destruction**

**HB2337 – Private prison contractors; public records**

**HB2484 – Originally: Notary public; signatures of relatives**  
Striker: personal identifying information records; disposal

**HB2495 – Critical information infrastructure**

**HB2509 – Originally: Heritage funds; encumbrances**  
Striker: Arizona welcome center; Yuma; appropriation

**HB2614 – Disclosure of Personal Information; MVD**

**HB2785 – Telephone records; unauthorized sale prohibited**

**HB2786 – Medical records; health professionals**

**HB2838 – School districts; recordkeeping; noncitizens**

**SB1099 – Originally: Dyed diesel; civil penalties; liability**

Striker: campaign finance reports; disclosure; exemption

**SB1219 – Personal identifying information; recorded documents**

**SB1225 – Public records; declaratory action**

**SB1338 – Personal information; security breach; notification**

**SB1361 – Legislative subpoenas**

**SB1379 – Speech-language pathologists; assistants; licensing**

**SB1386 – Crime victims; free police reports**

**SB1407 – Ombudsman-citizens aide; public access laws**